



The attached document has been proactively released by the New Zealand Customs Service on behalf of the Minister for COVID-19 Response.

Paper prepared by: Hon Dr Ayesha Verrall, Minister for COVID-19 Response

Date considered by Cabinet: 13 September 2021

Name of paper: Reconnecting New Zealanders: funding for the development of a traveller health declaration system

Cabinet Reference: CAB-21-MIN-0366 and CBC-21-MIN-0090

Purpose of the paper: This paper sought the Cabinet Business Committee's agreement to prioritise and fund the development of the New Zealand Traveller Declaration.

Redactions: Some parts of these papers have been withheld under sections 9(2)(f)(iv) and 9(2)(g)(ii) of the Official Information Act 1982. Any redactions appear in the text as black boxes, with an explanation of why the redaction was made.



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Cabinet

Minute of Decision

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Report of the Cabinet Business Committee: Period Ended 10 September 2021

On 13 September 2021, Cabinet made the following decisions on the work of the Cabinet Business Committee for the period ended 10 September 2021:

Outside of scope



CBC-21-SUB-0090 **Reconnecting New Zealanders: Funding for the Development of a Traveller Health Declaration System** CONFIRMED
Portfolio: COVID-19 Response

Outside of scope



Michael Webster
Secretary of the Cabinet



Cabinet Business Committee

Minute of Decision

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Reconnecting New Zealanders: Funding for the Development of a Traveller Health Declaration System

Portfolio COVID-19 Response

On 8 September 2021, the Cabinet Business Committee:

Background

1 **noted** that on 9 August 2021, Cabinet:

- 1.1 agreed to prioritise the development of the traveller health declaration system (including vaccination certification) and the piloting of rapid border testing at airports to enable this pathway approach;
- 1.2 directed officials to prepare a business case for the traveller health declaration system by September 2021;
- 1.3 invited the Minister for COVID-19 Response to report back in September 2021 with a business case for the traveller health declaration system and to seek approval for funding requirements;

[CAB-21-MIN-0305]

Developing a traveller health declaration system

2 **noted** that additional funding is being sought:

- 2.1 for the development of a traveller health declaration system, including a digital arrival card, and initial operating costs;
- 2.2 to extend resourcing for the provision of pre-departure testing and airline liaison officers at the border;

3 **agreed** to develop a traveller health declaration system as proposed in the Traveller Health Declaration System – Single Stage Business Case, attached as Appendix B to the paper under CBC-21-SUB-0090;

4 **noted** that the development and initial operating costs of a traveller health declaration system, and the extension of resourcing for the provision of pre-departure testing and airline liaison officers, is estimated to require operating funding of \$148.100 million and a capital investment of \$55.700 million over the forecast period;

Traveller health declaration system

- 5 **agreed** to establish the following new multi-year appropriations to run from 1 September 2021 to 30 June 2025:

Vote	Appropriation Minister	Title	Type	Scope
Vote Customs	Minister for COVID-19 Response	Traveller Declaration System Development	Departmental Output Expense	This appropriation is limited to the development of policies, procedures and systems to assess travellers for risk, including health risk, when crossing the New Zealand border.
Vote Labour Market	Minister for COVID-19 Response	Border Support Services	Departmental Output Expense	This appropriation is limited to the provision of border support services to departments and other state sector organisations.

- 6 **approved** the following changes to appropriations to give effect to the policy decision in paragraph 3 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)	
	2021/22 to 2022/23	2023/24 and outyears
Vote Customs Minister for COVID-19 Response		
Traveller Declaration System Development	16.800	-
Vote Labour Market Minister for COVID-19 Response		
Border Support Services	6.900	-
Total Operating	23.700	-

- 7 **noted** that the indicative spending profile for the new multi-year appropriation described in paragraph 6 above is as follows:

Indicative annual spending profile	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears
Traveller Declaration System development	16.800		-	-	-
Border Support Services	6.900		-	-	-

- 8 **agreed** that the changes to appropriations above be included in the 2021/22 Supplementary Estimates, and that, in the interim, the increases be met from Imprest Supply;
- 9 **agreed** that the expenses incurred under paragraph 6 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;

- 10 **approved** the following capital injections to the New Zealand Customs Service and Ministry of Business, Innovation and Employment to give effect to the policy decision in paragraph 3 above, with a corresponding impact on net core Crown debt:

Indicative annual spending profile	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & outyears
New Zealand Customs Service - Capital Injection	31.000	-	-	-	-
Ministry of Business, Innovation and Employment – Capital Injection	11.100	-	-	-	-
Total Capital	42.100	-	-	-	-

- 11 **agreed** that the departmental capital injections for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the capital injections be met from Imprest Supply;
- 12 **agreed** that the capital expenditure in paragraph 10 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 13 **note** that the Minister for COVID-19 Response intends to report back to Cabinet within three weeks on the ongoing work with international partners;

Digital arrival card and initial operating costs

- 14 **agreed** to set aside (in tagged contingencies) additional operating funding of \$115.200 million and capital funding of \$13.600 million for the development of a digital arrival card, and to fund the initial operating costs of a traveller declaration system at the border;
- 15 **agreed** to establish tagged contingencies of up to the following amounts to provide for the decision in paragraph 14 above:

	\$m – increase/(decrease)		
	2021/22	2022/23	2023/24
COVID-19 – Traveller Health Declaration System Tagged Operating Contingency	-	40.000	75.200
COVID-19 – Traveller Health Declaration System Tagged Capital Contingency	-	13.600	-

- 16 **agreed** that the draw-down of project and operating funding (a mix of both capital and operating) from the tagged contingencies in paragraph 15 above will be subject to Cabinet consideration early in 2022 of an addendum to the Traveller Health Declaration System - Single Stage Business Case ahead of decision point two and will address funding requirements through until the end of the 2022/23 financial year;

- 17 **agreed** that the draw-down of funding from the tagged operating contingency in paragraph 15 above for the provision of traveller health declaration services beyond the 2022/23 financial year will be sought in a report back to Cabinet in late 2022 on options for funding these services;
- 18 **agreed** that the tagged operating and capital contingencies in paragraph 14 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 19 **agreed** that the COVID-19 – Traveller Health Declaration System Tagged Operating Contingency and the COVID-19 – Traveller Health Declaration System Tagged Capital Contingency will expire on 30 June 2024, unless extended;

Pre-departure testing and airline liaison officers

- 20 **noted** that on 2 August 2021, the Ministers of Finance, COVID-19 Response, Immigration, and Customs agreed to a fiscally neutral adjustment between Vote Health, Vote Labour Market, and Vote Customs to fund the checking of pre-departure tests at New Zealand airports, and for airline liaison officers to work with airlines at Australian airports, for 2021/22 only;
- 21 **agreed** to provide additional funding for the New Zealand Customs Service and Immigration New Zealand to extend pre-departure test checks at New Zealand airports, and for airline liaison officers to continue working with airlines at Australian airports, through to 30 June 2023;

Proactively released

- 22 **approved** the following changes to appropriations to give effect to the decision in paragraph 21 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears
Vote Customs Minister of Customs Departmental Output Expenses: Travellers Clearance and Enforcement (funded by revenue Crown)	-	6.400	-	-	-
Vote Labour Market Minister of Immigration Multi-Category Expenses and Capital Expenditure: Immigration Services MCA Departmental Output Expenses: Integrity and Security of the New Zealand Immigration System (funded by revenue Crown)		2.800	-	-	-

- 23 **agreed** that the changes to appropriations above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
- 24 **agreed** that the expenses incurred under paragraph 22 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020.

Jenny Vickers
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
 Hon Grant Robertson
 Hon Kelvin Davis
 Hon Dr Megan Woods
 Hon Chris Hipkins
 Hon Carmel Sepuloni
 Hon Andrew Little
 Hon David Parker
 Hon Nanaia Mahuta
 Hon Poto Williams
 Hon Damien O'Connor
 Hon Stuart Nash
 Hon Dr David Clark

Officials present from:

Office of the Prime Minister
 Department of the Prime Minister and Cabinet

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Office of the Minister for COVID-19 Response
Cabinet Business Committee

Reconnecting New Zealanders: funding for the development of a traveller health declaration system

Proposal

- 1 I propose that a traveller health declaration system be developed as part of the Reconnecting New Zealanders work programme to enable the risk assessment of individual passengers prior to their boarding a craft for travel to New Zealand and ensure they are correctly processed at the New Zealand border. I am seeking approval for:
 - 1.1 an increase in operating funding for Vote Customs, Vote Business, Science and Innovation, and Vote Labour Market of \$75 million from the COVID Response and Recovery Fund; and
 - 1.2 a further \$128.8 million to be held in contingency for drawn down as the future operational requirements of traveller health declarations at the border are developed.
- 2 This funding will cover operating, technological and policy development necessary to make reopening the border successful and keep New Zealanders safe.
- 3 The major component of the funding request is the building of the platform for the digital health components of the system. This platform is the same platform that will be used for all of the other digital declarations.
- 4 I am proposing that the draw-down of:
 - 4.1 additional project and operating funding from the tagged contingencies is subject to Cabinet consideration early in 2022 of an addendum to the Traveller Health Declaration System - Single Stage Business Case (at Appendix B) ahead of decision point two; and
 - 4.2 funding from the tagged operating contingency for the provision of traveller health declaration services beyond 2022 will be sought in a report back to Cabinet in late 2022 on options for funding traveller health declaration services beyond the first half of the 2022/23 financial year.

Relation to government priorities

- 3 This paper supports the Government's overarching objective to keep New Zealanders safe from COVID-19, including by protecting jobs and livelihoods, and strengthening the economy. The specific proposal relates to the Government's COVID-19 Reconnecting New Zealanders strategy [CAB-21-MIN-0305] that will shift from a

country based approach, to a country risk and individual's vaccination status based on three risk-based entry pathways :

- 3.1 **Low-risk entry pathway:** Quarantine-free entry for fully vaccinated low-risk travellers, who have only been in low-risk countries for the 14 days prior to entering New Zealand. An additional testing requirement may be needed, and could be pre-departure, on arrival in New Zealand, or both.
 - 3.2 **Medium-risk entry pathway:** Reduced quarantine or self-isolation and testing requirements for medium-risk travellers e.g. vaccinated travellers who have been in medium-risk countries for the 14 days prior to entering New Zealand.
 - 3.3 **Higher-risk entry pathway:** Full MIQ and testing requirements for all travellers who have been in high- and very high-risk countries in the 14 days prior to entry, and all non-vaccinated travellers from countries not identified as low-risk.
- 4 The traveller health declaration system will enable the risk-based, three entry pathways, and a phased approach to Reconnecting New Zealanders. It is primarily focussed on the policy, technical and operational design of:
- 4.1 a border system which will require incoming passengers to provide a travel health declaration
 - 4.2 a system to assess and transact these documents to inform individual risk assessment and facilitate the processing of passengers across the border, and inform post border health controls.

Executive Summary

- 5 I seek funding from the COVID-19 Response and Recovery Fund for the development of a traveller health declaration system. The development and operating of a traveller health declaration system is estimated to require operating funding of \$148.100 million over the forecast period and a capital investment of \$55.700 million.
- 6 This funding request includes funding for the New Zealand Customs Service (Customs), the Ministry of Health, and the Ministry of Business, Innovation and Employment (MBIE), and other border agencies to set up and implement the traveller health declaration system.
- 7 Given the need to reconnect New Zealanders to the rest of the world, the harms from a resurgence of COVID-19 and the low tolerance for the risk of transmission across the border, a high assurance of the health status of an individual passenger is required before they board a craft for travel to New Zealand. The COVID-19 Reconnecting New Zealanders strategy (the strategy) sets out a risk-based phased approach that provides for three entry pathways into New Zealand for low, medium and higher risk travellers.
- 8 This requires New Zealand to deploy new tools and processes to enable a health assessment at the individual traveller level. As the Prime Minister and I advised you on 9 August 2021 in the Cabinet paper: *Reconnecting New Zealanders with the*

World: Shifting to a Risk-Based Approach to Border Settings, developing a traveller health declaration system is key to the strategy.

- 9 The traveller health declaration system will enable all inbound passengers to make a health declaration, ensuring the declarations are verifiable and strongly bound to the passenger, and can be individually risk assessed prior to travel. It will ensure that passengers are directed to the correct testing and isolation requirements based on their assessed risk, and will underpin the scaled re-opening of the border, in a safe way. An overview of the process is attached as Appendix A.
- 10 Making the declaration will be critical to the integrity of the assessment process and decisions about risk. Current control mechanisms are not fit for purpose, as they cannot provide adequate assurance once volumes rise. The digital system will transact:
 - 10.1 COVID-19 health information such as proof of vaccination (both New Zealand and other countries);
 - 10.2 pre-departure test; and
 - 10.3 traveller declared data such as contact details, health symptom check and travel history.
- 11 Countries are increasingly requiring proof of COVID-19 vaccination, and/or test results as part of the bundle of measures that determine if, and with what conditions, a person may cross their borders.
- 12 Digital COVID-19 health certificates, accessed through the proposed system, will provide a verifiable means of proving vaccination status and or test results. Such credentials will be necessary in the first instance for people vaccinated or tested in New Zealand who are wishing to travel to countries that have these requirements in place, and potentially to return to New Zealand without going through full MIQ.
- 13 The system's secure storage of verified credentials will also allow us to operationalise likely future requirements for entry to New Zealand by people who are not resident here. Assured and automated verification of travellers' status will enable the phased reopening of the border being considered as part of the Reconnecting New Zealanders strategy.
- 14 Prior to deployment of the system, manual checking of a traveller's vaccination status may be required. This would support reopening of travel to Australia and could be undertaken alongside checks of pre-departure tests.
- 15 Officials are working to design and build the traveller health declaration system. This initial work is being absorbed within baselines, but agencies will incur financial risks if this continues.
- 16 The system will be delivered through a single project structure in related tranches (pilot, foundation and enhancement). All tranches will commence simultaneously from August 2021. Under the pilot phase, a traveller health declaration pilot will be completed in early 2022 (or earlier if possible). This testing phase is not scalable, and

can only be carried out while traveller numbers remain small. It will introduce some technology support to address the key constraints of the manual process.

- 17 The foundation phase will extend health certificate verification to include countries beyond New Zealand and Australia. Further versions of the travel health declaration will be developed and tested from January 2022 to July 2022, intending to remove the need for passengers to manually present a “Travel Pass” document as proof of meeting travel requirements by March 2023.
- 18 The enhancement tranche provides for the service design, development and testing of a digital arrival card. By June 2023 all travellers will only make one declaration covering all required information to enter New Zealand. This will eliminate the need for travellers to interact with multiple processes when travelling to New Zealand, and will enable important border operational service improvements to be made.
- 19 There are some risks and uncertainties that may impact on the costs and delivery of this project such as the rapidly changing COVID-19 situation that may require changes to incorporate new variations or new vaccine requirements, and issues relating to contracting key technical staff. There are appropriate reporting and check-ins built into the governance and assurance structure to manage these risks and uncertainties, but it is possible there could be some slippage in delivery time.
- 20 The project structure contains a single source of accountability, a standard and accepted governance model for a large IT project, with assurance processes and a detailed risk management plan already developed that puts in place accepted controls to mitigate risks.
- 21 The project plan contains three key decision points where decisions will be made by the Border Executive Board on whether to continue the project as initially planned or reposition the project. Decisions will be made based on updated planning, assurance on achievability, costings and compliance.
- 22 The attached business case at Appendix B has been reviewed and scrutinised by the Treasury. Given, the dynamic environment and pressing need to support Reconnecting New Zealanders, the Treasury supports expediting normal processes through the use of a single-stage decision-making process (supported by a Single Stage Business Case) which is close to the standard process.
- 23 The project is ready to go and work has been defined for the next three months. Agencies are in the process of scaling-up project resource in anticipation of project approval. This has involved redeploying internal capability, and securing key contract resource. Further scale-up will be predominantly resourced from the contractor and consultant market via secondary procurement under the All of Government (AoG) Recruitment Services and AoG Consultancy panels. Some enhancement of existing technology platforms will be supported by incumbent suppliers.

Background

- 24 As COVID-19 vaccination rolls out around the world, countries are taking varying approaches to how vaccination status affects a person’s ability to enter the country. An increasing number of countries have removed restrictions on travel for people who

- can provide proof of vaccination. Several other countries have waived or reduced quarantine or test requirements for vaccinated people.
- 25 The Reconnecting New Zealanders strategy sets out a phased approach to reconnecting travellers. This phased approach will move from travel based entirely on a country-by-country arrangement (such as different Quarantine-free Travel arrangements with Pacific neighbours), through to a system where New Zealand will progressively open up to travellers, with our treatment of individuals based on a range of factors relating to both the person and their travel history.
- 26 Moving through these phases will require New Zealand to deploy new tools and processes to enable an assessment at the individual traveller level, recognising that COVID-19 vaccination and testing status will be crucial inputs.
- 27 When quarantine-free travel from Australia commenced in April 2021 the only health requirement on travellers were that they were required to have been in Australia or New Zealand for the previous 14 days and they could not travel if they had cold or flu symptoms. Subsequently, arrivals in New Zealand were required to present a negative COVID-19 test. Within existing resources:
- 27.1 Immigration New Zealand (INZ) established a mechanism to check intending departing passengers' time in-country, reciprocally sharing information about non-compliance with the Australian Border Force, and deployed INZ Airline Liaison Officers (ALOs) to Australian ports to support carriers in assessing passenger eligibility to travel; and
- 27.2 Customs committed to checking 30 percent of test results of all arriving passengers from Australia, with short-term surges of up to 50 percent as staffing and flight arrivals permitted.
- 28 Joint Ministers subsequently agreed to shift an underspend from the COVID-19 Response and Recovery Fund to support the deployment of additional ALOs and Customs officers to achieve 100 percent compliance checking of travellers coming from Australia. Following a number of brief State-level pauses, quarantine-free travel from Australia was suspended on 23 July 2021, due to increasing numbers of COVID-19 community cases in Australia.
- 29 On 9 August 2021 [CAB-21-MIN-0305] Cabinet agreed to shift New Zealand's border settings from a country-based approach to a risk-based approach, based on country risk and an individual's vaccination status, once New Zealand's health and border systems had the capability and capacity to safely manage higher traveller volumes. Cabinet's endorsement of the risk-based approach was based on three entry pathways for low, medium and higher-risk travellers.
- 30 The Ministry of Health was directed to report back to the *Reconnecting New Zealanders* Ministerial Group on who would be able to enter on each pathway and the applicable vaccination, testing, isolation and other requirements. Cabinet noted that advice on the entry pathways would be subject to further adjustments over time to account for updated public health advice.

Verification and checking travellers' health status at the border requires a digital solution – a traveller health declaration system

- 31 Implementing the risk-based three entry pathway into New Zealand requires the health status of individuals to be checked before boarding the craft and for their health status credentials to be verified and checked on arrival.
- 32 Current manual checking of health documents is resource intensive, and subject to error and cannot be scaled up sufficiently as traveller numbers increase.
- 33 On 9 August 2021, Cabinet [CAB-21-MIN-0305] agreed to prioritise the development of the traveller health declaration system to address these issues. Cabinet directed officials to prepare a business case for the traveller health declaration system by September 2021. Cabinet invited the Minister for COVID-19 Response to report back to Cabinet in September 2021 with the business case for the traveller health declaration system and to seek approval for funding requirements.
- 34 Officials have looked at options for delivery of a traveller health declaration system. A number of options for a solution have been assessed in the business case including a fully manual solution at the border, and a semi-integrated technology solution that is also enforced pre-departure. The preferred option is the digital solution that is outlined in this paper.
- 35 The traveller health declaration system will allow for COVID-19 health credentials to be part of the entry process to New Zealand. It will electronically risk assess individual passengers, and ensure that they are correctly processed at the border.
- 36 The digital system will include relevant health information, such as proof of vaccination certificates (both New Zealand and other countries), pre-departure test results, and traveller declared data such as contact details and travel history. All travellers will declare their health status and be individually risk assessed prior to travel, including the requirements for MIQ. This system will be compliant with the WHO's expectations that an individual risk assessment approach be adopted.
- 37 When the traveller declares their health status, the system will use rules to determine the risk profile for a traveller and then the risk profile will determine the operational process they will follow, and determine which stream they will go into, such as the requirement for MIQ. Appendix A sets out the high level traveller journey from obtaining visas/ booking flights, to either entering New Zealand or going to MIQ under the traveller health declaration system.
- 38 A digital system is required to open up the border with necessary health risk mitigation, and to ensure the entry process is effective and efficient. It will also enable our processes to adjust when required to address changing risk as and when the virus changes.
- 39 Funding is sought to sequentially implement a border system that will enable, inform and enact granular and dynamic public health decisions as well as address the delivery constraints that arose when pre-departure test results needed to be presented by arrivals from Australia and additional processes were established for all red zone travellers.

We are building the system off existing platforms

- 40 There is no global standard, and no off the shelf product that can be used to provide this level of traveller health assurance. Officials are keeping a close eye on what other countries are doing, with a view to seeing if there are lessons learnt that we can use to inform our system. Different jurisdictions are taking different approaches due to their unique circumstances such as who they border with, vaccination rates and tolerance for COVID-19. Most are taking a similar approach to us, start lean and build on it.
- 41 The travel health declaration system will integrate with other countries via the vaccine certificates that they issue. The system is designed to be flexible enough to eventually assess all vaccine certificates issued by any country.
- 42 Border agencies are investigating the ability for users to use third party systems to submit information to the travel health declaration system, such as ~~s 9(2)(f)(iv) OIA~~
~~_____~~
~~_____~~
~~_____~~
- 43 The traveller health declaration system needs to be interoperable with systems being developed internationally. I will report back to Cabinet within three weeks of Cabinet approval of this paper on the ongoing work of international partners.
- 44 While there may be some concerns about investing in technology that may be superseded or become redundant in the future, I consider these risks are low. I consider the risk of not developing something in the hope that a universal solution becomes available, is greater than the risk of developing redundant technology.
- 45 There are a number of international standards emerging for vaccine certificates, but when one is available could be some time away. An international standard for vaccine certificates will have minimal impact on the traveller health declaration as it only deals with one data point used to assess the travellers' health risk and the system will be sufficiently flexible to support it.
- 46 It is critical that the government is responsible for making risk assessments of travellers crossing the New Zealand border. Industry does not want to be responsible for making health decisions, and are unlikely to want to be liable for any of the implications of making those decisions. The risk engine development of the system will always be required, regardless of if a global standard for encoding and exchanging information is eventually developed.
- 47 The solution must be flexible to enable it to adjust to any changes in health or risk conditions and to interact with multiple agencies. The proposed solution integrates and enhances current border platforms including Customs' Risk and Intelligence and the CusMod Border Management systems, and the Immigration application platform used to deliver the INZ Electronic Travel Authority system.
- 48 Agencies are well placed to deliver this new digital service, and will leverage existing border systems and digital capabilities to deliver as rapidly as possible. Agencies will need to start building the systems now to ensure we are ready to move forward when it is appropriate to open up the border.

- 49 The project delivery approach has been informed by the implementation of INZ's Electronic Travel Authority project and Customs 2018 trial of Digital Arrival Cards. Key learnings and experience, as referenced in the Business Case, have helped inform the proposed solution and been incorporated into this project.
- 50 The New Zealand Electronic Travel Authority has delivered a proven platform that is secure, robust and scalable. Key integrations and operational processes allow for near real time processing for applications, identity resolution, grouped applications with a refined user experience. Integration with boarding and immigration systems allows for risk checking and the provision of boarding directives to airlines. While the travel health declaration system is a separate product from the Electronic Travel Authority, it will leverage and reuse many of the features of the platform.
- 51 The Risk and Intelligence system developed by Customs is a robust and mature platform that is used to automate the process of identifying risk at the border. New risk analysis capabilities will be built on this platform to specifically target and classify the health risk of individuals and ensure appropriate processing of travellers.

The system will be future proofed

- 52 The platform will in the future provide a single place for passengers to make their complete travel declaration, with the intention being to remove the need for a physical arrival card. It will provide utility beyond the COVID-19 response, and have the capability to be sufficiently flexible to enable additional health related questions or requirements to be added in the future for managing other health threats as or when required. Without this, the full benefits of this large but necessary financial investment to enable New Zealanders to reconnect, will not be fully realised, as it will be a system primarily for this current need but unable to have a future use.
- 53 Designing a platform with this future operability will add little to the overall cost and should be seen as a single door for travellers from a NZ Inc. perspective to eliminate the need for travellers to have multiple processes and systems when travelling to New Zealand. It will enable important operational service improvements to be made to provide for dynamic, individual risk assessment, the separation and management of different risk profiles within air and maritime ports and early, highly accessible communication with travellers and partners.

How will the traveller health declaration system be delivered?

- 54 A traveller health declaration system is complex, and will need to be delivered in phases, manual first, and then overtaken by a digital system. Project delivery will be through three related tranches (pilot, foundation and enhancement) that will commence simultaneously. Work is also underway on the manual solution to check vaccination status required when green flights from Australia can restart.
- 55 The high level timeline for delivery of the traveller health declaration system is set out in Table one.

Table one: High level timeline for delivery of the traveller health declaration system.

Milestone/Activity	
Tranche One: Pilot	August 2021 - April 2022
<p>The pilot phase supplements existing manual processes with digital tools to support resuming trans-Tasman travel. Features include:</p> <ul style="list-style-type: none"> • Web-based pre-travel declaration. • Automated and manual health certificate (NZ and AU only) verification prior to travel. • Creation of a “Travel Pass” document which travellers will present pre-departure and to border officials to prove they meet travel requirements. • Building on existing contact centre capability to support the new process. <p>The target date for testing and piloting the minimum viable product (MVP) is early 2022.</p>	
Tranche Two: Foundation	August 2021 - March 2023
<p>The foundation phase introduces further tools and processes to meet longer-term requirements such as individual assessment against more complex health rules spanning many countries. Features include:</p> <ul style="list-style-type: none"> • Machine-reading the certification images. • Individual risk assessment of travellers based on their medical and travel history. • s 9(2)(f)(iv) OIA [REDACTED] • [REDACTED] • Implementation of maritime solutions. • Incremental improvements to accessibility. <p>The target date for testing and piloting the first feature set is June 2022.</p>	
Tranche Three: Enhancement	August 2021 - June 2023
<p>The enhancement phase addresses constraints caused by associated declaration processes to enable rapid processing at the border and increased numbers of daily flights. This includes delivering a full digital arrival card that meets the needs of all border agencies, rather than requiring a digital health declaration and a physical arrivals card.</p> <p>The target date for testing and piloting the first feature set is MVP, November 2022.</p>	

- 56 Additional funding is required for the New Zealand Customs Service and Immigration New Zealand to extend pre-departure test checks at New Zealand airports, and for

airline liaison officers to continue working with airlines at Australian airports through to 30 June 2023.

- 57 In addition to normal governance responsibilities regarding scope and access to contingency, the Border Executive Board¹ will focus on three key decision points, where decisions will be made on whether to continue the project as initially planned, or reposition the project. Decisions will be made based on updated planning, assurance on achievability, costings and compliance. The decision points are set out in Table two below:

Table two: Key decisions and decision points

	Decision point one October 2021	Decision point two Around March 2022	Decision point three Late 2022
What solution will be in place	Fully manual process	Basic validation of trans-Tasman health documentation. Not scalable	Fully integrated individual risk assessment, not fully scalable
What will be asked	Whether to proceed to a partial technology solution	Whether to proceed to an integrated individual risk assessment	Whether to scale to solutions that support 5 million travellers per year
Who will make the decisions	Border Executive Board	Border Executive Board	Border Executive Board

- 58 Once running, the system will process individual traveller risk assessments and will support compliance checking, both pre-arrival (do not board) and post-arrival tracing.
- 59 Operationalisation will likely require legislative change, information sharing arrangements and additional resources. Policy development including a specific focus on te Tiriti o Waitangi, domestic data and privacy laws, international privacy laws, enforcement and the ethics of algorithms and automated decision making are necessary. This work is not part of baseline funding for departments and cannot be met through reprioritising resources. The speed with which it is required adds to the cost.
- 60 Some travellers will not be able to connect with this system so officials are considering options for accessibility and assisted channels to provide travellers support to make a digital declaration through the use of a call centre.

The project will deliver a range of benefits

- 61 By enabling New Zealanders to reconnect globally, economic benefits are likely from the return of international tourism and international education. International tourism

¹ The Border Executive Board comprises the Chief Executives from the New Zealand Customs Service, Ministry of Business, Innovation and Employment (Immigration NZ), Ministry of Health, Ministry of Transport, Ministry of Foreign Affairs and Trade and the Ministry for Primary Industries.

expenditure for the year ended March 2020 was \$17.5 billion (20% total exports of goods and services)² and international education generated at least \$1.25 billion³. Other businesses will seek to travel to secure sales and supply.

- 62 Social benefits will result from reuniting families and enabling the travel of sick New Zealanders currently overseas. Increased supply of air travel and reduced need for MIQ should reduce the cost of travel, which supports equity outcomes.
- 63 There are also health and MIQ cost avoidances. ASB economists estimate that having Auckland at alert level 3 and the rest of the country at alert level 2, costs the economy about \$220 million per week - or 0.07 per cent of GDP⁴. Should lock-down not succeed, health outcomes are impacted. MIQ costs \$3 million per day⁵. MIQ capacity of 4,500 rooms per fortnight⁶ is a small fraction of the pre-COVID 5 million travellers per year.

There are linkages with other key related projects

- 64 The project is working with Reconnecting New Zealanders to align with the plan to reopen the borders with other countries progressively over time. The programme is looking to be able to expand the system to other countries and traveller pathways, beyond trans-Tasman travel, in early 2022. The ability for the platform to scale is dependent on a number of factors, including the ability for other countries to issue digitally enabled vaccine certificates, the quality of pre-departure test documentation, and the complexity of the health rules at the border. These considerations vary from region to region. The traveller health declaration project will be better able to forecast capacity, once more information is available on which countries Reconnecting New Zealanders is prioritising.
- 65 The results of the Reconnecting New Zealanders Self Isolation Trial will also influence the direction of the project, with a focus on people vaccinated in New Zealand returning from overseas. If the trial is successful, then facilitating this process is likely to be a high priority for the programme once trans-Tasman travel is delivered. We believe that there are no capacity issues for the traveller health declaration system in processing people returning to New Zealand who hold a New Zealand Vaccination Certificate, once the capability is built.
- 66 The traveller health declaration system is dependent on the Ministry of Health's development of a vaccine certificate. This work is on track for delivery by the end of November 2021.
- 67 The traveller health declaration system also links to other strategic work such as the Digital Border programme approved by the Border Executive Board in March this year. The Digital Border programme of work is to deliver on the goals of a more seamless customer experience, reduced risk, offshore management and business

² Tourism satellite account, Stats NZ.

³ NZIER, 2020. Report "Economic impact of universities: Updated contribution to growth."

⁴ <https://www.nzherald.co.nz/business/covid-19-coronavirus-how-much-the-lockdown-could-cost-new-zealand/MGB4DR3YCSRFXYV4NMR45VUIQ/>.

⁵ CAB-20-SUB-0095.

⁶ <https://www.mbie.govt.nz/business-and-employment/economic-development/covid-19-data-resources/managed-isolation-and-quarantine-data/>.

sustainability. This will be achieved through leveraging new technologies (such as 3D X-ray scanners, biometric processing, and Smart eGates at airports), integrated operations and savvy border personnel. The Border Executive Board report to me on progress on the Digital Border programme.

Governance structure and Assurance

- 68 The two major partners, Customs and Immigration New Zealand are both part of the State sector and will act collectively with other border agencies (including the Ministry of Health) in the interests of New Zealand. Officials considered partnership options and determined that a single project construct led by Customs will drive delivery most efficiently.
- 69 This will see Customs as the lead partner, delivering to a single project backlog, and supported by a single project director and dedicated resources. It will be governed by a multi-agency project steering group reporting to the Border Executive Board, an interdepartmental Executive Board established to deliver an integrated and effective border system. There will be additional reporting lines for the three agencies to their Chief Executives and also to the Department of Prime Minister and Cabinet. Each agency will be represented on the Steering Group.
- 70 An assurance plan is being developed with support from the Government Chief Digital Officer (GCDO). The assurance plan will include check-ins with the corporate centre agencies (the Treasury, GCDO and the Government Chief Data Steward).
- 71 It is critical that there are regular check-ins that the project is on track for each of the major milestones and that it is adapting to any changing health requirements determined by Cabinet. The project Senior Reporting Officer will report monthly on progress against the milestones to the Border Executive Board. I will also receive regular updates from the Border Executive Board on progress. Officials also report to the Reconnecting New Zealanders Ministerial Group regularly with updates on timelines and milestones.
- 72 The attached Business Case (at Appendix B) has been reviewed through the Treasury led Business Case Clinic process with system leads (the Treasury, Digital Public Service, Government Procurement, Government Chief Data Steward) and their feedback has been incorporated in the business case. The project team will also engage with the *Gateway Assurance process* – a series of expert-level peer reviews at key points in the programme.

Implementation

- 73 In addition to likely legislative change, new information sharing arrangements and additional resources, there will be operational impacts across multiple agencies, airports and airlines that will need to be worked through. Officials will report back to Cabinet on any required legislative changes and will work with relevant agencies, including the Office of the Privacy Commissioner, on information sharing arrangements. A project of this size requires a significant delivery resource, many of whom will need to be contracted in.

- 74 Agencies are doing all they can to get this project over the line, so that we can meet our goal of reconnecting New Zealanders with the world and keeping New Zealanders safe. There is great cooperation from airlines and airports to support it. Even with this degree of commitment, there could be issues with delivery timeframes if the key health checks to support the risk-based approach to reopening the border change too much. The platform that is being designed has flexibility built in, so that it can adapt and change over time, but it might mean changes in some of the key milestones depending on the magnitude of any required changes.
- 75 Communications throughout the project will be key. This includes public facing communication and change-focused communications to stakeholders. This will be coordinated through the Reconnecting New Zealanders programme.
- 76 Piloting the Minimum Viable Product (MVP) of the digital travel health pass in early 2022 is a priority, and aligns with the strong programme ambition to accelerate technology build work. In parallel, there is an urgent need to progress design activities, both service design, requirements and solutions to enable the development and delivery of an integrated delivery plan.

Risks

- 77 There are some risks and uncertainties that may impact on the costs and delivery of this project. This includes issues relating to its span across border agencies, contracting key technical staff, policy, legal and privacy issues such as ensuring the legislative environment is there to support the system, and technical feasibility questions as the work progresses in a short timeframe.
- 78 There are additional risks associated with sourcing and retaining key contract and consultant programme resources for short contract periods with the funding for the programme only appropriated up to Decision point two. In addition, the rapidly changing COVID-19 situation, may require changes to incorporate new variations, new vaccine requirements (e.g. boosters), and saliva testing.
- 79 If Cabinet does not approve the draw-down of the tagged contingencies at the end of 2022, there is a risk that the full benefits of the initial investment will not be able to be realised in the future. That is because the system will at that point only provide for digitalisation of the pre-border health checks while at the same time the other arrivals declarations will remain paper based. Travellers will not be able to be moved quickly through the arrival hall according to their overall individual risk assessment, to reduce the risk of transmission of COVID-19.
- 80 This risk would be exacerbated if other manual checking is also required such as rapid saliva tests. Delays on moving passengers through arrival halls will also have impacts on airports and airlines.
- 81 The overall risk rating of the project is High. This means it will be managed as a High Risk project with *Gateway Assurance* reviews and qualitative risk assessment to provide probability of success. As a high impact project of medium complexity, additional resourcing, management and assurance requirements have been put in place. As part of project initiation, an Assurance Plan will be developed to provide confidence to the Sponsor and other governance groups that the project has

appropriately established assurance mechanisms fit for purpose to the level of risk and complexity.

- 82 The attached Business Case's (at Appendix B) 'Assurance plan on a page' (at Appendix 6 of the Business Case) provides initial thinking of what the assurance plan will contain, including a combination of project declaration, separate team and independent assessment. This will be confirmed during the project establishment phase and reviewed through the *Gateway Assurance* process. There are appropriate reporting and check-ins built into the governance and assurance structure and the business case, to manage these risks and uncertainties, but it is possible there could be some slippage in delivery time.

Financial Implications

- 83 This paper seeks funding to develop the traveller health declaration system. Costs have been calculated by Customs, INZ and Ministry of Health based on the level of resource required to develop a declaration system and to provide over-arching project management support. The cost of policy and legal work required to support the development of the system is also being sought.
- 84 Due to the scale and compressed delivery timeline of this project, it will be predominantly resourced from the contractor and consultant market via secondary procurement under the All of Government (AoG) Recruitment Services and Consultancy panels. Resource costs reflect the restrained nature of the contractor and consultant market at present. A 30% contingency has been applied to all project costs. Funding is being sought via a mix of appropriated funding and through the establishment of tagged contingency funds.
- 85 The split between appropriated funding and funding held in tagged contingencies will be linked to the projects key decision points. All funding required up to decision point two (whether to proceed to integrated individual risk assessment) will be appropriated. All funding required beyond decision point two will be held in tagged contingencies. Decision point two is scheduled for early 2022. Further detail on the decision points is set out in the Business Case attached as Appendix B.
- 86 INZ through Vote Business, Science and Innovation, will receive the capital funding required to build the digital declaration platform based on the existing Electronic Travel Authority (ETA) platform through to June 2022. Customs will receive capital funding to support the development of its components of the traveller health declaration system through to June 2022. Depreciation, capital charge, and operating funding through to June 2022 will be provided via new multi-year appropriations set up in Vote Customs and Vote Labour Market for this purpose.
- 87 Additional operating funding will be provided for Customs and INZ to continue manual pre-departure testing and the provision of airline liaison officer support through to June 2023.
- 88 Appropriated project operating costs through to June 2022 will be provided to Customs via the new multi-year appropriation set up in Vote Customs. INZ and any other agencies required to assist with this project including the Ministry of Health,

will be able to access this project funding via an “Administration and Use” arrangement.

- 89 I am seeking total operating funding of \$148.100 million and capital funding of \$55.700 million to develop the traveller health declaration system. This will be funded through the COVID-19 Response and Recovery Fund.

Customs - Appropriated Funding	\$m
Operating funding to support the traveller health declaration project	12.700
Operating funding for depreciation, capital charge, and operating costs	4.100
Operating funding for the manual checking of pre-departure COVID-19 tests	6.400
Capital injection	31.000
Total	54.200

INZ - Appropriated Funding	\$m
Operating funding for depreciation, capital charge, and operating costs	6.900
Operating funding for additional airline liaison officers	2.800
Capital injection	11.100
Total	20.800

COVID-19 – traveller health declaration system tagged contingencies	\$m
Operating	115.200
Capital	13.600
Total	128.800

Grand Total	\$m
Operating funding	148.100
Capital funding	55.700

- 90 I will report back to Cabinet in early 2022, ahead of decision point two, to seek approval to implement integrated individual risk assessment at the border and to drawdown additional funding from the tagged contingencies to complete this work.
- 91 I consider it is appropriate in these COVID-19 circumstances, that the Crown funds the initial development of the traveller health declaration system and initial operating costs. Future operating costs of the traveller health declaration system beyond this

date could be funded by travellers. Customs will report back to Cabinet in the second half of 2022 on options for charging travellers for the ongoing operating costs of providing the traveller health declaration system via cost recovery.

Legislative Implications

- 92 There are no immediate legislative implications arising from this paper. Operationalisation of the traveller health declaration system will likely require legislative change. This will be worked through as work progresses at pace, and addressed in subsequent Cabinet papers. Changes to the Border Orders and/or the border agencies legislation, may be required to enable data collection, risk assessment and enforcement. The scope and scale of changes required for both immediate and enduring change are under assessment.

Regulatory Impact Statement

- 93 A Regulatory Impact Statement is not required for the recommendations in this paper as it does not propose any regulatory change. To implement the traveller health declaration, decisions will be required in future that will likely have legislative implications. A Regulatory Impact Statement will be prepared if legislative changes are required.

Climate Implications of Policy Assessment

- 94 There are no specific climate implications.

Population Implications

- 95 A digital system can disproportionately impact 'digitally excluded' persons such as people without access to the internet or devices with the right capabilities, the disabled community or persons with English as a second language who may often rely on in-person help. Officials are looking at options for accessibility such as a paper-based scenario and assisted channels to provide travellers an alternative option to make a digital declaration through the use of a call centre.
- 96 A safe approach to reconnecting our people to the world will benefit New Zealanders by supporting economic recovery and re-establishing social connections with friends and whānau overseas. This will, in turn, benefit all New Zealanders. The traveller health declaration system is necessary to support changing our border settings, with the primary objective to keep New Zealanders safe from COVID-19.

Human Rights

- 97 The Bill of Rights Act 1990 establishes that New Zealand citizens have a right to enter New Zealand and that all persons have the right to leave New Zealand, and that everyone has the right to refuse to undergo any medical treatment. This paper concerns funding to develop the traveller health declaration system which does relate to potentially significant human rights limitations on the rights of persons arriving into New Zealand through enforcing mandatory health risk assessment. Some of these matters will be considered and addressed in other related projects such as the

Reconnecting New Zealanders. Human rights implications arising solely from this project will be considered and addressed as policy papers arise on specific issues.

- 98 This is a funding paper which in of itself does not have human rights/Bill of Rights Act implications. Development of the traveller health declarations system will raise human rights/Bill of Rights Act issues that will need to be considered and accommodated as part of the project.

Te Tiriti o Waitangi obligations

- 99 The funding proposal in this paper has no direct te Tiriti o Waitangi implications. At all stages in the investment lifecycle the operations will need to be secure, transparent, compliant, ethical, promote equity and meet the Crown's obligations under te Tiriti o Waitangi.

Consultation

- 100 The following agencies were consulted and their views taken into account during the development of this paper: Ministry of Health, Ministry of Business, Innovation and Employment (Immigration and MIQ), the Treasury, Ministry of Transport, Ministry of Foreign Affairs and Trade, the Ministry of Justice, Ministry for Primary Industries, Public Service Commission, the Department of Internal Affairs, the Government Chief Digital Officer, Digital Public Service and the Government Chief Data Steward, Statistics NZ and the Department of Prime Minister and Cabinet.

Communications

- 101 There are no communications issues associated with this paper. Communications about the development of the proposed system will be managed through the Reconnecting New Zealanders communications strategy.

Proactive Release

- 102 Officials will consider appropriate timing to proactively release this paper following Cabinet consideration, with redactions made as appropriate.

Recommendations

The Minister for COVID-19 Response recommends that the Cabinet Business Committee:

- 1 **note** that on 9 August 2021, Cabinet agreed to prioritise the development of the traveller health declaration system (including vaccination certification) and the piloting of rapid border testing at airports to enable this pathway approach; directed officials to prepare a business case for the traveller health declaration system by September 2021; and invited the Minister for COVID-19 Response to report back to Cabinet in September 2021 with a business case for the traveller health declaration system and to seek approval for funding requirements [CAB-21-MIN-0305];
- 2 **note** that additional funding is being sought for the development of a traveller health declaration system, including a digital arrival card, and initial operating costs, and to extend resourcing for the provision of pre-departure testing and airline liaison officers at the border;

- 3 **agree** to develop a traveller health declaration system as proposed in the Traveller Health Declaration System – Single Stage Business Case at Appendix B;
- 4 **note** that the development and initial operating costs of a traveller health declaration system, and the extension of resourcing for the provision of pre-departure testing and airline liaison officers, is estimated to require operating funding of \$148.100 million and a capital investment of \$55.700 million over the forecast period;

Traveller health declaration system

- 5 **agree** to establish the following new multi-year appropriations to run from 1 September 2021 to 30 June 2025:

Vote	Appropriation Minister	Title	Type	Scope
Vote Customs	Minister for COVID-19 Response	Traveller Declaration System Development	Departmental Output Expense	This appropriation is limited to the development of policies, procedures and systems to assess travellers for risk, including health risk, when crossing the New Zealand border.
Vote Labour Market	Minister for COVID-19 Response	Border Support Services	Departmental Output Expense	This appropriation is limited to the provision of border support services to departments and other state sector organisations.

- 6 **approve** the following changes to appropriations to give effect to the policy decision in recommendation 3 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)	
	2021/22 to 2022/23	2023/24 and outyears
Vote Customs Minister for COVID-19 Response		
Traveller Declaration System Development	16.800	-
Vote Labour Market Minister for COVID-19 Response		
Border Support Services	6.900	-
Total Operating	23.700	-

- 7 **note** that the indicative spending profile for the new multi-year appropriation described in recommendation 6 above is as follows:

Indicative annual spending profile	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears
Traveller Declaration System development	16.800	-	-	-	-
Border Support Services	6.900	-	-	-	-

- 8 **agree** that the proposed changes to appropriations above be included in the 2021/22 Supplementary Estimates, and that, in the interim, the increases be met from Imprest Supply;
- 9 **agree** that the expenses incurred under recommendation 6 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;

- 10 **approve** the following capital injections to the New Zealand Customs Service and Ministry of Business, Innovation and Employment to give effect to the policy decision in recommendation 3 above, with a corresponding impact on net core Crown debt:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears
New Zealand Customs Service - Capital Injection	31.000	-	-	-	-
Ministry of Business, Innovation and Employment – Capital Injection	11.100	-	-	-	-
Total Capital	42.100	-	-	-	-

- 11 **agree** that the proposed departmental capital injections for 2021/22 above be included in the 2021/22 Supplementary Estimates and that, in the interim, the capital injections be met from Imprest Supply;
- 12 **agree** that the capital expenditure in recommendation 10 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 13 **note** that I will report back to Cabinet within three weeks of Cabinet approval of this paper on the ongoing work with international partners;

Digital Arrival Card and Initial Operating Costs

- 14 **agree** to set aside (in tagged contingencies) additional operating funding of \$115.200 million and capital funding of \$13.600 million for the development of a traveller health declaration, digital arrival card, and to fund the initial operating costs of a traveller declaration system at the border;
- 15 **agree** to establish tagged contingencies of up to the following amounts to provide for the decision in recommendation 14 above:

	\$m – increase/(decrease)		
	2021/22	2022/23	2023/24
COVID-19 – Traveller Health Declaration System Tagged Operating Contingency	-	40.000	75.200
COVID-19 – Traveller Health Declaration System Tagged Capital Contingency	-	13.600	-

- 16 **agree** that the draw-down of project and operating funding (a mix of both capital and operating) from the tagged contingencies in recommendation 15 above will be subject to Cabinet consideration early in 2022 of an addendum to the Traveller Health Declaration System - Single Stage Business Case ahead of decision point two and will address funding requirements through until the end of the 2022/23 financial year;
- 17 **agree** that the draw-down of funding from the tagged operating contingency in recommendation 15 above for the provision of traveller health declaration services beyond the 2022/23 financial year will be sought in a report back to Cabinet in late 2022 on options for funding these services;
- 18 **agree** that the tagged operating and capital contingencies in recommendation 14 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 19 **agree** that the COVID-19 – Traveller Health Declaration System Tagged Operating Contingency and the COVID-19 – Traveller Health Declaration System Tagged Capital Contingency will expire on 30 June 2024, unless extended;

Pre-departure testing and airline liaison officers

- 20 **note** that on 2 August 2021 the Ministers of Finance, COVID-19 Response, Immigration and Customs agreed to a fiscally neutral adjustment between Vote Health, Vote Labour Market, and Vote Customs to fund the checking of pre-departure tests at New Zealand airports and for airline liaison officers to work with airlines at Australian airports for 2021/22 only;
- 21 **agree** to provide additional funding for the New Zealand Customs Service and Immigration New Zealand to extend pre-departure test checks at New Zealand airports and for airline liaison officers to continue working with airlines at Australian airports through to 30 June 2023;

- 22 **approve** the following changes to appropriations to give effect to recommendation 21 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 and outyears
Vote Customs Minister of Customs Departmental Output Expenses: Travellers Clearance and Enforcement (funded by revenue Crown)	-	6.400	-	-	-
Vote Labour Market Minister of Immigration Multi-Category Expenses and Capital Expenditure: Immigration Services MCA Departmental Output Expenses: Integrity and Security of the New Zealand Immigration System (funded by revenue Crown)	-	2.800	-	-	-

- 23 **agree** that the changes to appropriations above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply; and
- 24 **agree** that the expenses incurred under recommendation 22 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020.

Authorised for lodgement

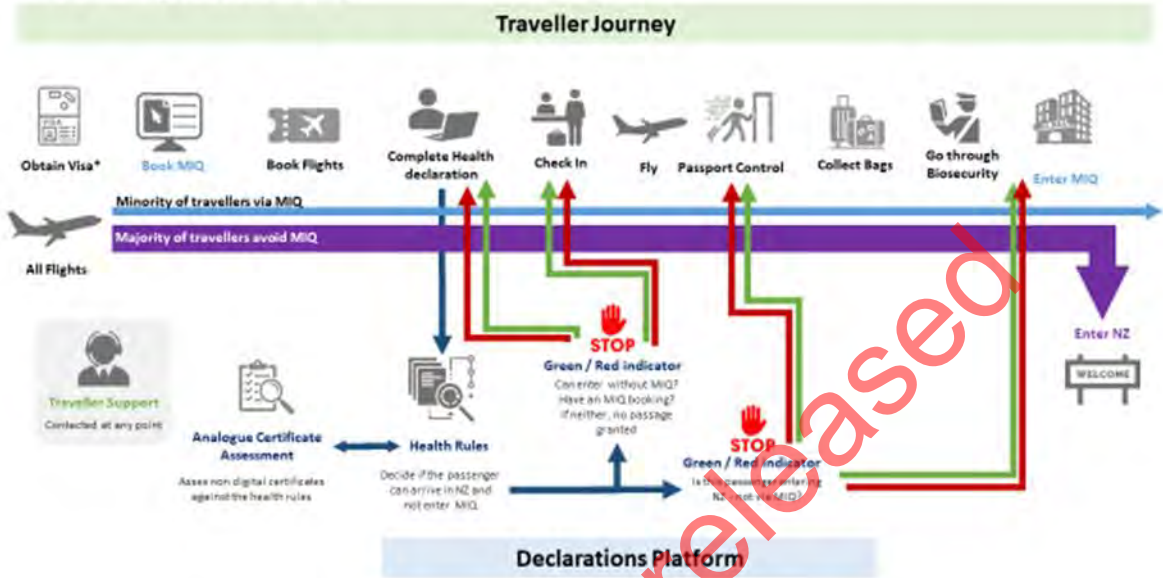
Hon Chris Hipkins

Minister for COVID-19 Response

Proactively released

Appendix A: High level traveller journey under the traveller health declaration system (slide 31 in the attached business case at Appendix B)

Phase 2 – High Level Journey



Appendix B: Traveller health declaration system single stage business case

This business case sets out the decision-making, assurance and funding frameworks that will enable rapid benefits, and provide confidence that the project will adapt to meet the needs of New Zealand in a highly dynamic environment.

Proactively released

August 2021

Traveller Health Declaration System - Single Stage Business Case

Version 1 In Confidence



NEW ZEALAND
CUSTOMS SERVICE
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Protecting and promoting
New Zealand across borders

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Proactively released

Introduction and Executive Summary

Proactively released

The New Zealand Customs Service and Immigration New Zealand are working to enable all passengers to make a health declaration and be individually risk assessed prior to travel. This is estimated to cost \$203.8 million over 5 years.

On 9 August 2021, Cabinet was updated on the development of the *Reconnecting New Zealanders* approach and agreed to shift New Zealand's border settings from a country-based approach to a risk-based approach, based on country risk and an individual's vaccine status, when New Zealand's health and border systems have the capability and capacity to safely manage higher traveller volumes. It also agreed to prioritise the development of a traveller health declaration system and directed Customs to prepare this business case by September 2021 (CAB-21-MIN-0305).

Through this business case and accompanying documentation, the New Zealand Customs Service (Customs) and the Ministry of Business Innovation and Employment (Immigration New Zealand) seek approval and funding to invest in the operating, technological and legislative changes required to sequentially implement a border system that will enable, inform and enact granular and dynamic public health decisions as well as address the inbound passenger processing constraints that have arisen since the arrival of COVID-19. The solution has been developed alongside the Ministry of Health.

This funding request sets out decision-making, assurance, and funding frameworks that will enable rapid benefits, and provide confidence that the project will adapt to meet the needs of New Zealand in a highly dynamic environment.

Through this funding request, Customs and Immigration New Zealand seek \$203.8 million over 5 years to enable all passengers to make a digital health declaration, be individually risk assessed prior to travel, and managed appropriately at the border. The funding builds on previously appropriated funding for the purposes of delivering additional manual processes at the border, and enact any immediate changes in Government policy (\$8.1 million short-term funding to fund 62 additional Customs Officers and 9 Airline Liaison Officers in financial year 2021/22)

The Treasury supports the use of a single-stage Cabinet approval process to expedite decision-making

Unless otherwise agreed with Cabinet or the Treasury, large-scale projects¹ must follow a two-stage Cabinet approvals process. The purpose of this two-stage process is to:

- Give Cabinet the opportunity to consider a long list of options before they're discarded.
- Confirm Cabinet support before approaching the market, to maintain market confidence in government procurement.

In the two-stage approach, an Indicative Business Case (or Programme Business Case) provides a mandate to engage with stakeholders and develop a Detailed Business Case. The Detailed Business Case then seeks approval to commence the procurement process.

Given, the dynamic environment and pressing need to support *Reconnecting New Zealanders*, the Treasury supports expediting normal processes through the use of a single-stage decision-making process (supported by a Single Stage Business Case).

The implications of this approach are identified throughout the case. In summary they are:

- Optimism bias about cost, time and benefits (due to a lack of detailed analysis) - this risk is managed through the use of project and Budget contingency, Agile delivery approaches and decision points at key milestones.
- Missed opportunities to integrate with other initiatives (due to an urgency-induced narrowing of focus) - this risk is mitigated by linking delivery to existing programmes and multi-agency governance structures.
- Unforeseen 'downstream' effects leading to additional costs and erosion of benefits - this risk is also mitigated by linking delivery to existing programmes and multi-agency governance structures.

¹ Generally, large projects are deemed to be greater than \$25 million Whole of Life Costs. Both MBIE (INZ) and Customs have a 'B' Investor Confidence Rating and Chief Executives have a delegated authority up to \$25 million.

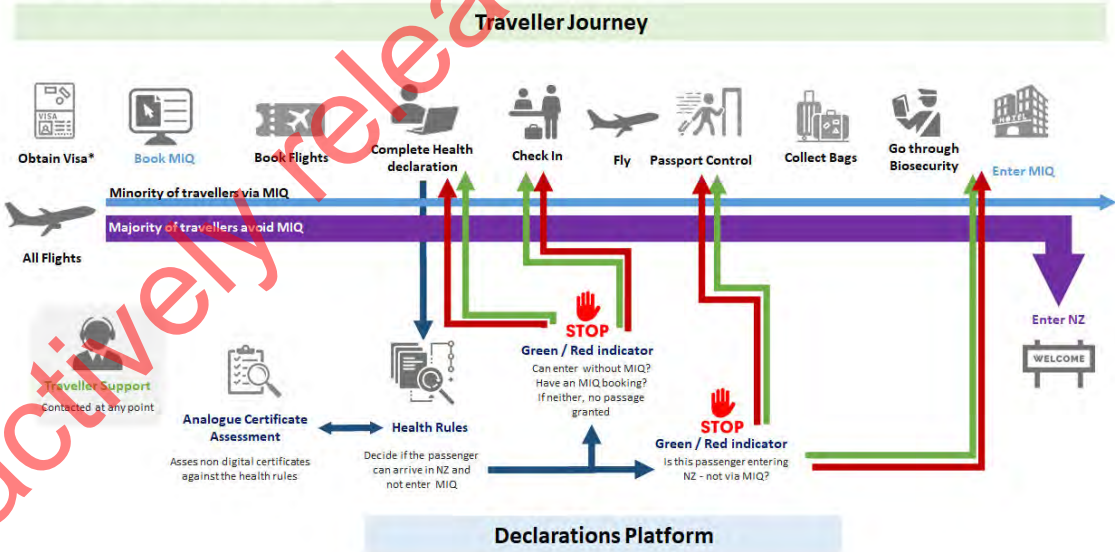
In the Strategic Case we describe a pressing need for improvements at the border to enable *Reconnecting New Zealanders* outcomes and a dynamic investment environment

- As part of *Reconnecting New Zealanders*, Cabinet has directed Customs to operationalise traveller health declarations and risk-based assessments at the border for inbound travellers. Customs is working with Immigration New Zealand and the Ministry of Health to develop and implement these changes. Airlines and Airports have already demonstrated a willingness to support the three agencies.
- Recognising immediate and medium-term requirements, the project has three sequentially delivered investment objectives:
 - Enact reinstatement of Quarantine-Free Travel (QFT) with Australia as and when required by Cabinet and the Ministry of Health.
 - Enact individual risk assessment and management of travellers through three risk-based entry pathways as and when required by Cabinet and the Ministry of Health.
 - Provide safe, secure and efficient clearance and enforcement services for passengers, crew and staff while keeping New Zealand safe.
- The project is characterised by a highly dynamic investment environment with uncertain service and timeline requirements. The project will be informed by:
 - Ministry of Health report backs to the Reconnecting New Zealanders Ministerial Group on entry requirements (August and September 2021).
 - Initial delivery of the three risk-based entry pathways - this project will be responsible for change management away from manual processing to new approaches.
 - Findings of the self-quarantine pilot (October - December 2021).
 - The Ministry of Health's project to develop digital certification for New Zealanders.

The Economic Case describes the determination of an incrementally improving service; commencing with a fully manual day one process, progressing through an MVP technology solution and moving to a fully integrated and automated smart solution

- Assuming a requirement to reinstate QFT with Australia by October, there is only one available delivery option for inbound travellers - a fully manual processes with enforcement at the border . This substantially replicates the approach adopted prior to suspension. However, this solution does not meet immediate service requirements and is not scalable.
- At the earliest opportunity, the MVP solution will be launched. This features digital health declarations, manual assessment, and pre-departure enforcement. Contact centre capacity will be needed to support travellers.
- Subsequent iterations will enable the traveller journey with delivery at scale and the ability to perform individual risk assessments. Some iterations will improve back office processing and others will enhance the traveller experience.

Phase 2 – High Level Journey



The Commercial Case describes the implications of multi-agency delivery and how good procurement practice will support delivery at pace

- The two major partners, Customs and Immigration New Zealand (INZ) are both part of the State Sector and will act collectively with other border agencies in the interests of New Zealand. However, they also have specific responsibilities and constraints that can limit co-delivery of a project - especially when there is substantial uncertainty in requirements and timelines.
- Officials have determined that Customs will be the lead delivery agency, driving delivery across Customs, INZ and the Ministry of Health with a single project structure and multi-agency governance.
- Agencies are in the process of scaling-up project resource in anticipation of project approval. This has involved redeploying internal capability, and securing key contract resource.
- Further scale-up will be predominantly resourced from the contractor and consultant market via secondary procurement under the All of Government (AoG) Recruitment Services and AoG Consultancy panels. Some enhancement of existing technology platforms will be supported by incumbent suppliers.

Proactively released

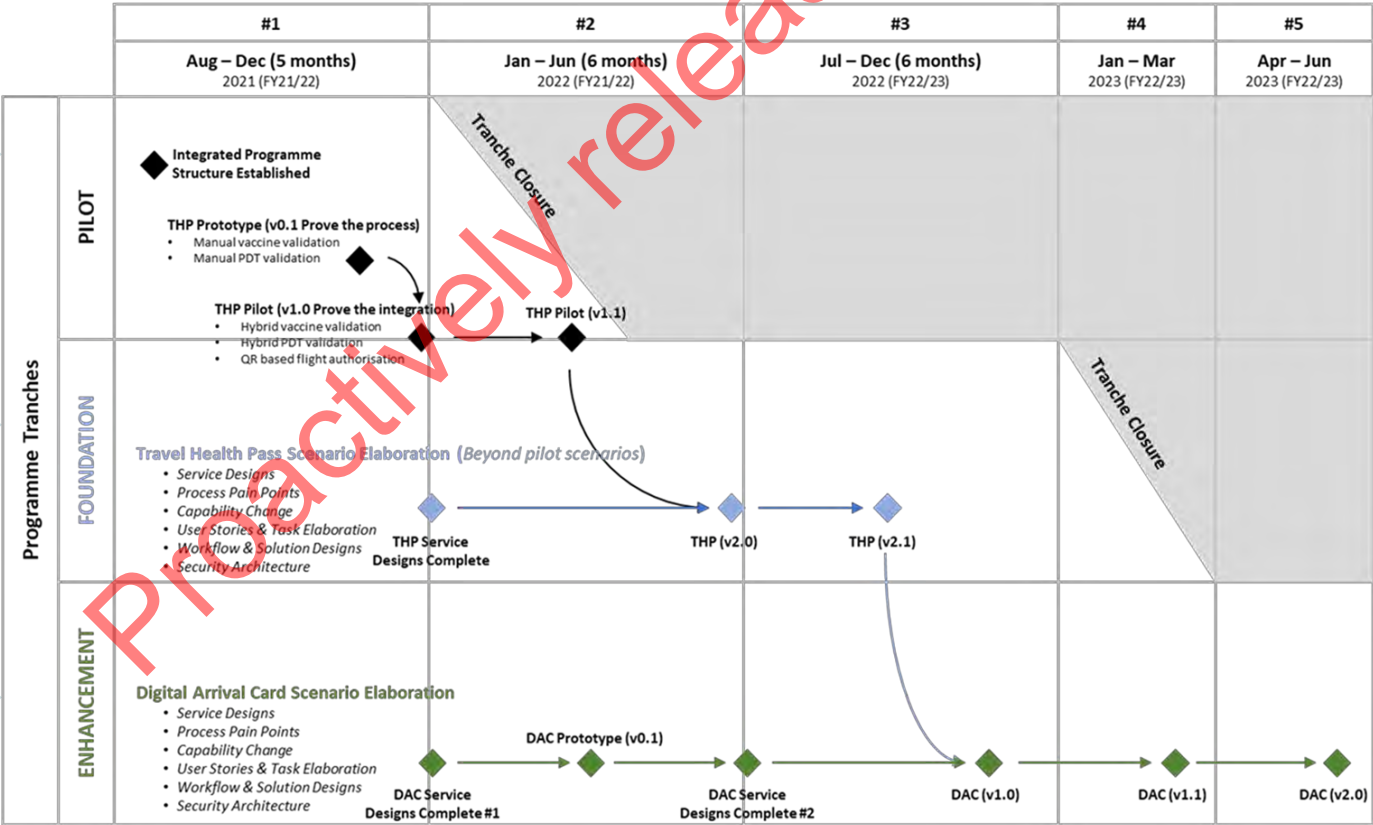
In the Management Case, we describe how the project approach reflects the dynamic investment environment and fluid requirements, accelerated approval process and the need for rapid deployment

Project delivery will be through three related tranches that will commence simultaneously. A separate project will focus on the manual solution that will be required on Day One.

Interim and future state requirements are not known, leaving uncertainty in the solution required. The approach requires some Agile delivery approaches to drive incremental benefit delivery

Decision-makers do not have the upfront cost, achievability and compliance assurance that is normally required. The approach includes clearly defined delivery stop-go points recognisable from the waterfall approach

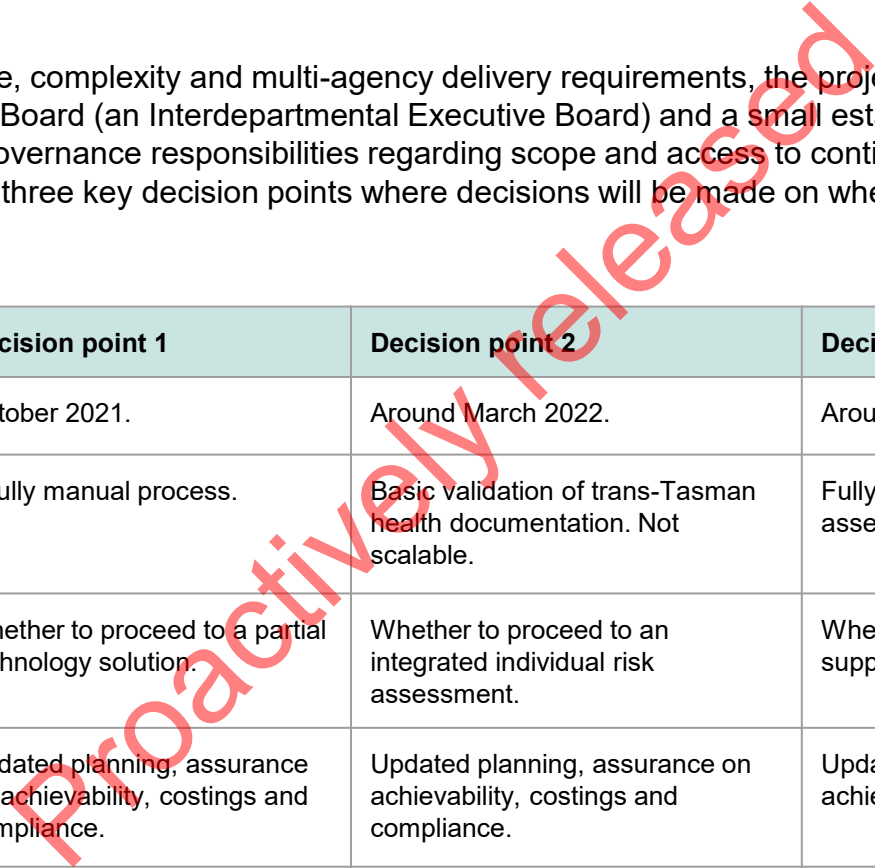
In order to meet expectations, the project can not proceed in a linear development approach - the project includes parallel work streams with some work 'at-risk'



In the Management Case, we also describe three ‘off-ramps’ where decisions will be made on whether to continue or reposition the project

In recognition of its importance, complexity and multi-agency delivery requirements, the project will be governed through the Border Executive Board (an Interdepartmental Executive Board) and a small establishment steering group. In addition to normal governance responsibilities regarding scope and access to contingency, the Border Executive Board will focus on three key decision points where decisions will be made on whether to continue the project as initially planned.

	Decision point 1	Decision point 2	Decision point 3
When?	October 2021.	Around March 2022.	Around September 2022.
What solution will be in place?	A fully manual process.	Basic validation of trans-Tasman health documentation. Not scalable.	Fully integrated individual risk assessment, not fully scalable.
What will be asked?	Whether to proceed to a partial technology solution.	Whether to proceed to an integrated individual risk assessment.	Whether to scale to solutions that support 5 million travellers per year.
What evidence will be in place?	Updated planning, assurance on achievability, costings and compliance.	Updated planning, assurance on achievability, costings and compliance.	Updated planning, assurance on achievability, costings and compliance.
Who will make the decisions?	Border Executive Board.	Border Executive Board.	Border Executive Board.



In the Financial Case, we describe the impact of cost uncertainty on the budget and the source of funding

Funding sought (\$ million)	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	5yr total
Total project delivery capital expenditure	42.0	13.6	-	-	-	55.6
Total project delivery operating expenditure	12.7	15.9	-	-	-	28.6
On-going business operating expenditure (excluding depreciation)	7.0	24.8	16.0	16.5	17.1	81.4
Subtotal	61.7	54.2	16.0	16.5	17.1	165.6
Depreciation	2.4	5.9	6.6	6.6	4.1	25.7
Capital Charge	1.5	2.7	2.8	2.8	2.8	12.5
Total Costs	65.7	62.8	25.4	26.0	23.9	203.8

Source of funding (\$ million)	Appropriated	Tagged contingency
Project capital funding	42.1	13.6
Project operating funding	23.7	
Additional service delivery costs	9.2	115.2
Total costs	75.0	128.8

- Project costs include a project contingency of 30% to reflect cost uncertainties.
- The whole of life cost of investment is \$264.3 million. This include ongoing operating costs of \$18.3 million per year and excludes depreciation and the capital charge.
- Appropriated project operating costs will be provided to Customs with other agencies accessing funding through 'Administration in Use' arrangements.
- New multi-year appropriations are required to deliver outputs.
- \$128.8 million for project costs beyond decision point two and ongoing costs held in tagged Budget contingency, subject to successful delivery and report-backs.

Strategic Case

Proactively released

Cabinet has directed Customs to design smart border systems to operationalise traveller health declarations and implement risk-based assessments at the border

The Government recognises that the ability for New Zealanders to reconnect globally is crucial to allow families and whānau to reunite and to create opportunities to accelerate New Zealand's economic recovery.

As part of the *Reconnecting New Zealanders* (summarised in Appendix 3), Cabinet agreed to shift our border settings; moving from travel based on a country-by-country basis (through Quarantine Free Travel with Australia, the Cook Islands and Niue), through to a system where New Zealand will progressively open up to travellers based on their individual health and travel history.

Moving through these phases is dependent on New Zealand's health and border systems having the capability and capacity to safely manage higher traveller volumes over time. It will require New Zealand to deploy new tools and processes to enable an assessment at the individual traveller level and will be supported by evidencing relevant health information such as the COVID-19 vaccination status, test results, travel history, and health declaration of passengers crossing the border.

On 9 August 2021, Cabinet was updated on the development of the *Reconnecting New Zealanders* approach and agreed to shift New Zealand's border settings from a country-based approach to a risk-based approach (based on country risk and an individual's vaccine status), when New Zealand's health and border systems have the capability and capacity to safely manager higher traveller volumes. Cabinet also agreed to prioritise the development of a traveller health declaration system and directed to prepare a business case by September 2021 (CAB-21-MIN-0305).

How does this project interact with other initiatives?

Operationalising the three-tier approach - Customs is working with airlines and airports to operationalise the three risk-based entry pathways. Delivery of this manual solution is out of scope for this project. However, the project will be responsible for change management away from the manual approach.

Self-quarantine pilot - Customs will support the self-quarantine pilot to test the feasibility of systems and processes that could be used for self-quarantine as an option a medium-risk pathway (October - December 2021). This pilot does not form part of the project but will inform this project's requirements.

New Zealand Certification - The Ministry of Health's project to develop digital certification for New Zealand will enable this project.

This Traveller Health Declaration System project will build a capability that enables *Reconnecting New Zealanders* outcomes

Border agencies and their industry partners (airports, airlines and maritime operators) are currently unable to support *Reconnecting New Zealanders* goals of growing inbound traveller volumes safely or applying an individual risk-based approach. This is due to overlapping constraints established by legislation, data collection and sharing requirements, existing physical and technology infrastructure, and manual processes.

In the Traveller Health Declaration System, investment will be made to address these constraints and build a capability that will underpin *Reconnecting New Zealanders*.

Investment	Service improvement	Impact	Outcome
Invest in updating legislation, data sharing arrangements, physical infrastructure, processes, staffing and technologies	Dynamic, individual risk assessment of travellers	Public health risks managed - health outcomes are maintained	Improved economic outcomes - especially in Tourism and Education sectors
	100% checking of health documentation	Domestic and international traveller confidence improves	Improved social outcomes as families are reunited and the cost of travel falls (equity)
	Compliance enforcement, primarily pre-departure	Provider confidence improved	Progressive opening-up of New Zealand Cost avoidance as MIQ use and lockdowns are reduced
	Management of multiple risk level pathways for travellers within air and maritime	Operational constraints managed	
	Passenger processing times do not constrain traveller volume growth		
	Early, highly accessible communication with travellers and border partners		
	Integration with MIQ and Ministry of Health systems		

This project is aligned with agency investment plans and complements other investments

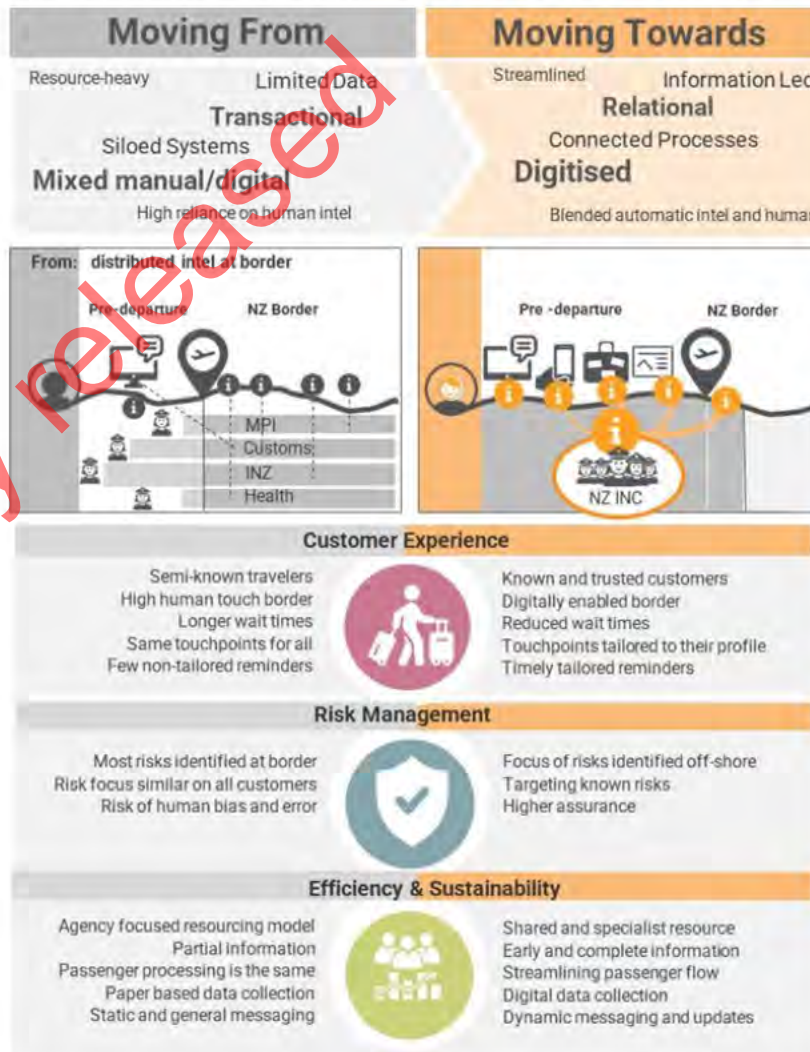
With well established relationships, cross-agency governance, joint delivery programmes and recent experience delivering similar projects, the sector is well positioned to deliver the project benefits at pace.

The establishment of the Border Executive Board, a Interdepartmental Executive Board responsible for an integrated and effective border system, in January 2021 was a major step in furthering an unified approach across agencies.

In March 2021, the Border Executive Board approved the Digital Border Programme to deliver on the goals of a more seamless customer experience, reduced risk, offshore management and business sustainability. This will be achieved through leveraging new technologies, integrated operations and savvy border personnel.

Subsequent to programme establishment, the programme has been adjusted to incorporate the requirements of this project. However, the programme is larger than this project and includes investment such as 3D X-ray scanners, biometric processing, and Smart eGates at airports.

Digital Border Programme - Strategic Shifts Sought



Recognising immediate and medium-term problems, the project has three investment objectives

Overview of existing issues - The current system is neither scalable nor is it able to meet existing expectations

<p>Prior to suspending Quarantine Free Travel (QFT), 100% compliance checks of passenger pre-departure tests was not achieved, with compliance rates lowest when air arrivals were bunched.</p>	<p>Australian health documentation is simple to understand but there is no standard documentation for PDT with many different providers. Extending flights to multiple countries exponentially increases the challenge of assessing documentation.</p>
<p>It is estimated that to manually check PDT compliance for 100% of arrivals takes 4 hours per flight, with manual PDT checks at the line taking 1-4 minutes and non-compliance taking 30 minutes per passenger. Previously, processing took 14 seconds per person.</p>	<p>Manual processes are not able to make rapid and accurate individual risk assessments based on health declaration, travel history, vaccine status, PDTs and isolation plans. Risk assessment rules can change rapidly, creating complexity and inconsistency in manual processing.</p>
<p>Customs and Immigration were previously provided \$8.1 million to fund 62 additional Customs Officers and 9 Airline Liaison Offices in financial year 2021/22. This is not scalable and these staff are not trained to make public health judgements.</p>	<p>Pre-departure enforcement of New Zealand border laws is complex, especially on health grounds and for New Zealand citizens.</p>

Investment objectives

1. Enact reinstatement of Quarantine-Free Travel as and when required by Cabinet and the Ministry of Health
2. Enact individual risk assessment and management of travellers through three risk-based entry pathways according to direction provided by Cabinet and the Ministry of Health
3. Provide safe, secure and efficient clearance and enforcement services for passengers, crew and staff while keeping New Zealand safe.

Out of scope

- Cabinet and the Ministry of Health are responsible for determining when travel will recommence, individual risk assessment criteria and the types of management approaches used.
- Producing digital vaccine certificates for New Zealand is a responsibility of the Ministry of Health.
- Post-arrival management of travellers (eg ensuring post-arrival quarantine conditions are met) is a responsibility of the Ministry of Health.

Investment objective one is to enact the reinstatement of Quarantine-Free Travel as and when required by Cabinet and the Ministry of Health

Existing arrangements	<p>Australia and New Zealand's successful management of COVID-19 meant that quarantine-free travel (QFT) was launched on 19 April 2021. Those travelling to or from New Zealand on a quarantine-free flight were not allowed to travel if they have cold or flu symptoms – however, a COVID-19 test was not required. Subsequently, arrivals in New Zealand were required to present a negative COVID-19 test.</p> <p>On 23 July 2021, in response increasing numbers of COVID-19 community cases within Australia, Quarantine-Free Travel with Australia was suspended. QFT remains in place with the Cook Islands and Niue (one-way).</p>
Business Needs and benefits	<p>Depending on progress with current outbreaks, we may look to resume travel with Australia under these risk-based settings. This would be a critical step in reopening and give us further opportunity to test our approach and our systems, to ensure reconnection is successful and safe. Reestablishment of a low risk pathway with Australia would provide the biggest single benefit contribution in the strategy - in 2019 40% of visitors were residents of Australia (Statistics New Zealand) - as well as supporting the ~140,000 people in Australia that identify as Māori.</p> <p>The precise requirements are yet to be set by Cabinet (Ministry of Health report-backs are scheduled in August and September). Consequently, the following business needs / requirements are planning assumptions:</p> <ul style="list-style-type: none"> • Support the reinstatement of QFT trans-Tasman travel as directed by Cabinet. • 100% assessment of pre-departure test and vaccine status prior to departure and at the border. • Travellers will provide paper based, non-standardised pre-departure test and vaccine confirmations. • Non-compliant travellers detected at the border are managed in accordance with public health requirements. • Process is compliant with all relevant legislation. • Any technology must be secure and resilient.
Scope	<ul style="list-style-type: none"> • Any investment in legislation, data sharing arrangements, physical infrastructure, processes, staffing and technologies required to enact inbound travel. Requirement setting and timetable is to be determined by Cabinet under advice from the Ministry of Health.
Specific risks, constraints & dependencies	<ul style="list-style-type: none"> • No international standard declarations or systems exist at this time. • Travellers will provide paper based, non-standardised pre-departure test and vaccine confirmations. New Zealand's digital vaccine certification should be in place - this project is the responsibility of the Ministry of Health. • Depending on requirements, legislative change will be required.
KPI (potential - to be confirmed)	<ul style="list-style-type: none"> • Delivery on requirements. • Number of non-compliant travellers. • Passenger, staff, airline and airport satisfaction ratings.

Investment objective two is enact individual risk assessment and management of travellers through three risk-based entry pathways as and when required by Cabinet and the Ministry of Health

Existing arrangements	<p>Travellers' COVID-19 risk assessment is currently on a country / regional basis - assessment doesn't fully take into account health declarations, vaccine history (type of vaccine and when each dose has been received), pre-departure test type, travel history, and isolation plans. This approach is inconsistent with the WHO's expectations that an individual risk assessment approach be adopted.</p> <p>Consistent with an uncomplicated risk assessment approach; the processes, systems and legislation in place is also simple and not designed for more complex approaches.</p>
Business Needs and benefits	<p>Border agencies are expected to be able to deliver dynamic, individual risk assessment of inbound travellers to support a more nuanced management of QFT with Australia as well as the sequential delivery of <i>Reconnecting New Zealanders</i> plan to progressively open borders to the rest of the world. The benefits of investment span economic benefits (eg reinstatement of tourism), social benefits (reuniting families, health), and cost avoidance (MIQ, lockdowns).</p> <p>The precise requirements are yet to be set by Cabinet. Consequently, the following business needs are project planning assumptions and any solution will need to be highly flexible:</p> <ul style="list-style-type: none"> • 100% and dynamic individual risk assessments. • Arrivals from many countries, including the Pacific Islands, that may not produce digital certification. • Enforcement pre-arrival ("Do Not Board" instructions) and post-arrival at the border. • Multiple risk level pathways across the border, and mixed flights of varying risk levels. • Process is Privacy Act compliant. • Any technology must be secure and resilient.
Scope	<p>The scope of work is to invest in operations, legislative changes and technology to enable and enforce individual risk assessment. The scope also includes the progressive improvements to traveller-facing channels and data ingestion tools that improve accessibility for all travellers and enable processing of documentation from multiple jurisdictions.</p>
Specific risks, constraints & dependencies	<ul style="list-style-type: none"> • Although no single international standard for declarations exist at this time, one could be introduced within the investment's useful economic life, potentially creating redundant investment in data ingestion and validation. • Depending on requirements, legislative change may be required.
KPI (potential - to be confirmed)	<ul style="list-style-type: none"> • Delivery on requirements. • Number of non-compliant travellers. • Passenger, staff, airline and airport satisfaction ratings.